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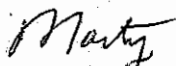
February 27, 2004

Mr David McKay
Conservation Planning Team Leader, Conservation Operations Division
Natural Resources Conservation Service
Box 2890
Washington DC 20013

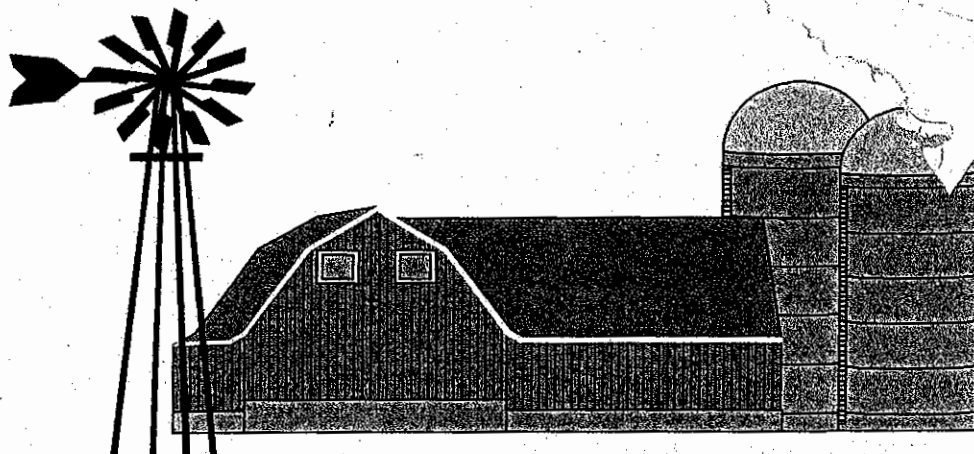
Dear Sir:

As an Iowa landowner, farmer and professional farm manager for 12,000+ acres in southwest Iowa, I feel the need to comment on the CSP program. The original plan had much merit and I especially liked the slogan "Reward the best and motivate the rest." A noble endeavor to protect our environment and encourage even greater participation with an economic incentive. In summary, the proposed dilution of the CSP program will in fact make it a "non program." I concur with my son's analysis which has been attached.

Sincerely yours,



MARTIN L. MATTES, AFM, ARA
MM/vl



Scott R. Mattes
5830 High Bluff Court
Burke, VA 22015

February 26, 2004

26 FEB 2004

Mr. David McKay
Conservation Planning Team Leader, Conservation Operations Division
Natural Resources Conservation Service
P.O. Box 2890, Washington, DC 20013-2890
(202) 720-1845; fax: (202) 720-4265

Submit to: david.mckay@usda.gov, Attention: Conservation Security Program (Suspense: 2 Mar 04)

Dear Sir:

I am writing in response to your request for comments on the Conservation Security Program (CSP) proposed rule (7 CFR Part 1469; 69 Federal Register 194, January 2, 2004). My comments address sign-ups, eligibility criteria, contract requirements, enrollment categories, and payments.

I appreciate USDA/NRCS's efforts to implement the Conservation Security Program. I agree with many of the options proposed in this Federal Register Notice, however, I believe the rule can be improved. I recommend modifying 7 CFR Part 1469 to incorporate my suggestions. I stand ready to work with the NRCS to implement this important program on my farm operations.

Sincerely,



Scott R. Mattes, P.E.
Environmental Program Manager

Attachment
Conservation Security Program (CSP) Comments

Attachment

1. Sign-ups

a. Applicants should be allowed to sign-up their agricultural operations for CSP based on demonstrating successful environmental stewardship, not simply based on watershed priority. Limiting sign-up opportunities to producers in "high priority" watersheds unfairly discriminates against agricultural producers that have excelled as environmental stewards of their operation's natural resources. The producer's environmental stewardship may have been the very reason why the watershed is not currently considered a high priority watershed. The current rule conflicts with the fundamental intent of the CSP program—"to support ongoing conservation stewardship of working agricultural lands by providing payments and assistance to producers to maintain and enhance the condition of the resources."

Producers (regardless of watershed location) that have demonstrated successful environmental stewardship of their farm's natural resources should be allowed to sign-up for CSP. The CSP Rule and NRCS should give equal consideration for CSP benefits to these producers as afforded to producers located in high priority watersheds.

b. NRCS should publish sign-up criteria no later than 180 days prior to the first sign-up period. Producers need at least 180 days to adequately study their farm operations and the sign-up criteria and determine if CSP benefits outweigh program administration costs for their farm operations.

c. Templates should be developed for the self-screening questionnaire (for each type of eligible land use), benchmark condition inventories, and CSP application. Producers should have example templates available for preparing their own farm operation documents.

2. Eligibility criteria

a. Eligibility criteria are not well defined. The CSP statute defines eligible producers as those individuals that submit an approved conservation security plan and enter into a CSP contract to carry out the conservation security plan. Eligible land is defined as all private agricultural land, including incidental forested land, excluding land that is under a CRP, WRP, or GRP contract, or that has not been planted or considered to be planted in the last 4 of the 6 years preceding the enactment of the 2002 Act.

CSP helps sustain the economic well-being of those farmers and ranchers who reach this pinnacle of good land stewardship, and enhance the ongoing production of clean water and clean air on their farms and ranches—which are valuable commodities to all Americans. A producer that enrolled portions of the agricultural operation into CRP, WRP, or GRP prior to 2002 should not be penalized in the CSP enrollment process for past environmental stewardship initiatives. A producer who installed CRP riparian buffer strips, planted trees (under CRP), idled highly erodible land for enrollment in CRP should still get "credit" for these activities for enrollment in CSP. Addressing specified resource concerns such as soil quality and water quality for tier I and tier II levels prior to program enrollment through other farm programs (CRP, WRP, GRP, EQUIP, etc.) should positively accentuate the producer's CSP application. These initiatives should be included in the CSP eligibility criteria and considered in total with other initiatives the producer has implemented. Although I agree that CSP payments should not be paid for acreage already enrolled in CRP, WRP, and GRP, this same land should be included in the eligibility criteria to determine if the producer has treated all land to FOTG standards. Being enrolled in CRP, WRP, GRP, should not "count against" the producer's current and past environmental stewardship. The producer's past initiative to enroll land in these programs demonstrates the intent of the CSP program "to support ongoing conservation stewardship of working agricultural lands."

b. Current requirements state the producer must "...address resource concerns to a minimum level of treatment that meets or exceeds the resource quality criteria according to the NRCS Field Office Technical Guides in terms of land management and/or structural practices for each land use. Only land that meets or exceeds the required level of treatment for the identified resource concerns can be included in the CSP program for payment." The CSP Rule should include attachments that list all water quality and soil quality concerns and the corresponding quality criteria levels. For consistency and clarity, this information should be clearly presented and not referenced in the NRCS FOTG.

c. The CSP regulation requires that the eligible land has not been planted or considered to be planted in the last 4 of the 6 years preceding the enactment of the 2002 Act. This requirement, although considered valid under previous farm programs, is not valid under CSP. If the "fundamental philosophy and intent of CSP is to support ongoing conservation stewardship of working agricultural lands by providing payments and assistance to producers to maintain and enhance the condition of the resources" then, the number of years a parcel has been considered to be planted should be irrelevant. Pastureland and wooded areas may never have been planted, yet these lands otherwise meet the intent of CSP since they may be areas with highly erodible land or other natural resource concerns that are not addressed by other existing farm programs. Recommend changing the requirement to all otherwise eligible land and delete the time requirement for land considered to be planted.

3. Contract Requirements

NRCS is proposing, in addition to the statutorily mandated contract requirements, to give funding priority to producers who are willing to undertake enhancement activities, such as addressing locally identified resource concerns or providing important assessment and evaluation information.

Producers that address locally identified resource concerns or provide important assessment and evaluation information should be rewarded for exceptional environmental stewardship. However, the CSP Rule must go into more detail about specific "enhancement" activities. Producers must know exactly what will be required, how much it will cost, and how long they must maintain/continue the enhancement before agreeing to the CSP contract. If this level of detail is left to the State, producers must be given an opportunity to review and assess enhancement requirements before committing to a CSP contract. If left to the State, the CSP Rule should be modified to allow producers 90 days to assess proposed enhancement requirements without detracting from their CSP application, competitive priority, and potential funding.

4. Enrollment Categories

According to the CSP Rule, "NRCS believes it is necessary to prioritize applicants based on their existing level of conservation performance and their willingness to undertake additional conservation activities above and beyond the regulatory contract requirements for their tier of participation." Prioritization is important, but producers that have used other farm programs (i.e., CRP, WRP, EQUIP, etc.) to improve environmental stewardship of natural resources should not be placed in a lower priority enrollment category than a producer who has not. More appropriately, producers who effectively utilized other farm programs to improve their farm's environmental stewardship "portfolio" should receive a higher priority than farms that do not maintain the same high level of environmental stewardship.

5. Payments

a. NRCS proposes to apply a consistent reduction factor to all regional rental rates to scale down the share of payments going to base payments (for all tiers of participation). Reducing base program payments by a constant factor dilutes the CSP program benefits for farm producers and will create a disincentive for producer's to invest the necessary time, money, and energy into improving the environment. Strong base

February 27, 2004

program payments are necessary for maximum producer interest, widespread environmental benefits, and to motivate producers to "...maintain and enhance the condition of the resources."

I disagree with the CSP Rule's position that "the more that program payments are made toward aspects directly related to additional environmental performance, rather than on base payments, more conservation is likely to be obtained." As a producer, I believe the opposite is true. The CSP program will require a large investment of my time, money, and energy to develop the necessary plans and to maintain compliance with the long-term operational parameters. If producers do not believe that CSP will benefit them financially with little "out-of-pocket" costs to them, it will not be a viable farm program. If not viable, the result will NOT be a "...net environmental benefits accruing to the program." I recommend setting the base reduction payment at 90%, not 10% of the Average Rental Rate and fixing the rate over the entire CSP program. If left at 10%, a producer with Tier 3 contract would need nearly 8200 acres enrolled in CSP (not including CRP, WRP, etc.) to reach \$13,500 in payments ($8181 \text{ acres} \times \$110/\text{ac} \times 0.1 \times 0.15$). The payment would equate to an incentive of \$1.65/acre/yr on land not enrolled in other farm programs, hardly "rewarding the best and motivating the rest." If the base reduction payment were changed to 90%, the same producer would need only 910 acres enrolled in CSP to reach \$13,500 in payments under a Tier 3 contract (a \$15/acre benefit). Changing the base reduction factor to 90% will "reward the best and motivate the rest."

In exchange for the base payment (worth less than a cup of coffee per acre under the proposed rule), the producer would be required to do the following: 1) complete a self screening questionnaire for each land use enrolled, 2) complete a benchmark condition inventory, 3) satisfy initial sign-up criteria including information about enhancement activities, 4) develop an application to the program, 5) submit the completed CSP application to NRCS, 6) participate in a follow-up interview with the NRCS, 7) confirm the application information, 8) work with NRCS to complete a Conservation Security Plan, and 9) maintain and comply with the plan for the life of the contract. Other CSP payments (existing practice, new-practice, enhancement payments) do not pay for the producer's time and management costs to implement the CSP--in other words, the base component payment should compensate the producer for the inherent hassles/headaches associated with implementing and managing any government program. The base payment should be the vehicle that compensates the producer for their overall management of CSP activities. A \$1.65/ac/yr payment doesn't compensate the producer for the amount of effort required to implement, manage, and comply with the CSP.

b. "Some ANPR commenters noted a possible redundancy between CSP and other programs (such as EQIP and WHIP) that include cost-share payments for installing structural practices. Producers may use EQIP, WHIP, or other cost-share programs to install practices prior to applying for CSP. NRCS is proposing to utilize the new practice component of CSP to provide cost-share when practices are needed although at a lower cost share than other USDA programs, to minimize redundancy between CSP and other existing USDA conservation programs. Some of the practices necessary to address those resource concerns might be funded with a new practice payment in CSP, although at a lower rate than other NRCS programs." Lower rates for new practices paid for using CSP is inconsistent with the overall intent of the CSP program "to support ongoing conservation stewardship of working agricultural lands." Producer's wanting to improve natural resources through environmental stewardship should be allowed to use existing farm programs (e.g., EQIP) to fund new practices within a CSP contract or the CSP Rule should be modified to pay the same rate for new structures as other farm programs. The goal of CSP is environmental stewardship. If a producer has successfully cared for their natural resources to the point of being eligible for CSP, then new practices installed under CSP should be funded to the same level as other farm programs to encourage maximum interest and environmental benefit.

c. I support letting landowners and operators negotiate the split in program payments. The emphasis should be based on the monetary investment made and work performed to implement a conservation security plan.

DATE:

ATTN: David McKay
NRCS Conservation Operations
PO Box 2890
Washington, DC 20013-2890
Fax 202-720-4265

Dear Mr. McKay,

I support the CSP as a nationwide conservation program focused on working farmlands and ranchlands that will "reward the best, and motivate the rest."

CSP can be a very useful tool for helping farmers to conserve and improve natural resources, but only if the proposed rule is changed to reflect the original spirit of program. USDA should issue a supplement to the rule, which would be open for public comment for 30 days. This should be done immediately to make the rule consistent with the law authorizing the CSP, and with the funding allocated by Congress restoring it to its uncapped, national entitlement program status.

Specifically, I recommend the following changes:

- Restore Green Payments - Farmers should be financially rewarded for outstanding environmental performance. The proposed rule calls for pennies per acre for base payments, as low as five percent cost-share payments for practices, and enhanced payments well below the farmer's costs. It is doubtful farmers would bother to apply with these low payments. Restore payments to the levels called for in the law.
- Make All Farms Eligible - Restore eligibility for all by eliminating the selection of priority watersheds and limited categories for enrollment.
- Motivate Farmers - Allow farmers to achieve high conservation standards while in the program, not as a precondition for applying.
- Restore Comprehensive Conservation Approach- Allow farmers to address significant natural resource concerns on their farm. Allow use of all effective conservation practices, instead of severely restricting what can be done. Allow states to add up to three other resources of concern to the national resource concerns of soil quality and water quality.

Sincerely,



Name Kris O'Connor kris@vineyardteam.org
Organization Central Coast Vineyard Team
Address PO Box 840
Templeton CA 93465
Membership Org - 150 members & 60,000 acres in 5 counties

[REDACTED]

DATE: February 29, 2004

ATTN: David McKay
NRCS Conservation Operations
PO Box 2890
Washington, DC 20013-2890
Fax 202-720-4265

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Sincerely,

Janet E. Bartels

Name Janet Bartels
Organization
Address 1120 Kenly Ave. Apt 5
Hagerstown, MD 21740

DATE:

ATTN: David McKay
NRCS Conservation Operations
PO Box 2890
Washington, DC 20013-2890
Fax 202-720-4265

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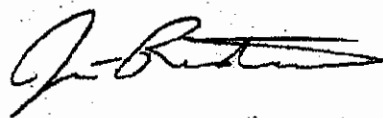
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Sincerely,



Name
Organization
Address

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